## Message Text

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PAGE 01 JIDDA 04653 281429Z

43

ACTION TRSE-00

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R 281334Z JUN 75 FM AMEMBASSY JIDDA TO SECSTATE WASHDC 1708

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E.O.: 11652:N/A TAGS: USSAEC, SA

SUBJ: JOINT COMMISSION; SAUDI DESIRE FOR ACTION TEAM

REF: STATE 139157 AND PREVIOUS

SUMMARY: DEPUTY MINISTER FOR COMMUNICATIONS HUSAYN MANSOURI WOULD WELCOME A TEAM OF EXPERTS ON PORT MANAGEMENT AND CON-STRUCTION IF THE TEAM COMES PREPARED TO STAY FOR AT LEAST ONE YEAR. HE IS NOT INTERESTED IN A TEAM WHICH WILL UPDATE OLD OR PREPARE NEW STUDIES, ALTHOUGH MANSOURI IS PROBABLY NOT CORRECT IN HIS ASSERTIONS THAT MOST OF THE SUGGESTIONS OF THE ARMSTRONG REPORT HAVE BEEN PUT INTO EFFECT ALREADY, NOR COMPLETELY HONEST IN HIS ASSERTION THAT THE PORTS ARE DOING EVERYTHING THAT COULD BE EXPECTED OF THEM, EMBASSY IS COMPLETELY IN AGREE-MENT THAT NO MORE STUDIES ARE NECESSARY. WE NEED A TEAM OF EXPERTS WHO WILL GET THEIR HANDS DIRTY AND WHO, DUE TO THEIR DAILY EXPOSURE TO SAUDI ARABIA POST OPERATIONS, WOULD BE ABLE TO MODIFY ON-GOING PROGRAMS TO SUIT THE LOCAL SOCIAL AND POLITICAL ENVIRONMENT. EMBASSY URGES WASHINGTON TO BEGIN WORK IMMEDIATELY TO STRUCTURE POSSIBLE TEAM PER FOLLOWING. END SUMMARY.

1. EMB. OFFICERS MET WITH HUSAYN MANSOURI, DEPUTY MINISTER OF COMMUNICATIONS ON JUNE 22 AND 24, 1975. THE GENERAL THEME OF BOTH MEETINGS WAS THAT MANSOURI AND HIS PORT DIRECTORS ARE DOING JUST ABOUT EVERYTHING HUMANLY POSSIBLE TO HANDLE THE LIMITED OFFICIAL USE

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PAGE 02 JIDDA 04653 281429Z

VOLUME OF TRAFFIC NOW ARRIVING IN SAUDI ARABIA. EMB. OFFICERS

EMPHASIZED THEIR AGREEMENT THAT SAUDIS INVOLVED HAVE PERFORMED WELL, THEN ATTEMPTED TO SHOW HOW ADVANCED TECHNOLOGY MIGHT PROVIDE MEANS TO SOLVE SOME OF THE MANY DIFFICULTIES. OUR ASSESSMENT WAS MEANT TO REASSURE MANSOURI THAT WE WERE NOT ATTACKING, BUT SUPPORTING HIM. ON THE WHOLE, WE TEND TO AGREE WITH A RECENT CORPS OF ENGINEERS TEAM WHOSE CONCLUSUION WAS THAT JIDDA WAS NOT TOO BAD, BUT DAMMAM WAS A DISASTER AREA.

2. ALTHOUGH MANSOURI HAD OBVIOUSLY NOT SEEN THE ARMSTRONG REPORT BEFORE JUNE 22. BY JUNE 24 HE WAS PREPARED TO GIVE EXAMPLES SHOWING THAT MOST OF ARMSTRONG'S RECOMMENDATIONS HAD EITHER BEEN ENACTED OR WERE UNDER ACTIVE CONSIDERATION. FOR EXAMPLE, DEMURRAGE FEES HAD BEEN TRIPLED (NOW 0.03 RIYALS PER 10 KILOS), RAILROAD CARS HAVE BEEN PLACED UNDER THE DIR-ECTION OF THE PORT MANAGER IN DAMMAM, AND SO ON. MANSOURI MAINTAINS, QUITE ACCURATELY, THAT HIS MAIN PROBLEM IS MAN-POWER. THE PORTS OPERATE ONLY 12 HOURS PER DAY, SIX DAYS PER WEEK, AND MOST OF THE LABORERS WORK THE FULL 12 HOURS. PRO-DUCTIVITY IS OF COURSE GREATLY ERODED BY THE JIDDA CLIMATE AND LONG HOURS. (MANSOURI INFORMED US THAT THE PAKISTANI EMBASSY HAS ALREADY OFFERED A NUMBER OF SKILLED WORKERS TO ALLEVIATE CHRONIC LABOR SHORTAGE.) UNDER MANSOURI'S DIRECTION MORE EFFORTS ARE BING MADE TO USE LASH SHIPS, BULK SILOS WILL BE INSTALLED, AND SO ON. (A DETAILED REPORT ON SAUDI PORT CONDITIONS AND PLANS IS NOW UNDER PREPARATION IN RESPONSE TO A-2512. BASED ON OUR STUDY WE ARE VERY SCEPTICAL THAT A LARGE NUMBER OF ARMSTRONG'S SUGGESTION HAVE ACTUALLY BEEN IMPLE-MENTED.) CONSTRUCTION PLANS, IN KEEPING WITH THE BASIC APPORACH OF THE FIVE YEAR PLAN ARE GRANDIOSE, BUT HAVE NOT BEEN PROPERLY DESIGNED TO ADDRESS SPECIFIC PROBLEM AREAS. MANSOURI SAID, FOR EXAMPLE, THAT 48 BERTHS (SOME OF THEM MULTI-SHIP) WILL BE INSTALLED IN JIDDA DURING THE NEXT FIVE YEARS.

3. THE SUBJECT OF A TEAM OF EXPERTS UNDER THE JOINT COMMISSION WAS, OF COURSE, BROACHED A NUMBER OF TIMES. AT FIRST MANSOURI SIMPLEY SAID "FINE, SEND US TEAM" (EVEN THOUGH WE ARE DOING THE BEST JOB POSSIBLE). "WE WILL WELCOME THEM." EMB OFFICER STATED REPEATEDLY THAT THE EMBASSY WAS NOT GOING TO RECOMMEND A TEAM WHICH MANSOURI WAS ACCEPTING ONLY BECAUSE OF POLITENESS OR BECAUSE HE BELIEVED PRINCE FAHD WAS PUSHING THE IDEA. DURING LIMITED OFFICIAL USE

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PAGE 03 JIDDA 04653 281429Z

THE JUNE 24 MEETING WE DISCUSSED COMPOSITIO OF TEAM THAT WOULD BE ACCEPTABLE TO MANSOURI. MANSOUI HAS SEEN A SUFFICIENT NUMBER OF REPORTS TO REALIZE AREAS THAT MUST BE ADDRESSED BY HIS MINISTRY. HE IS TIRED OF ENDLESS STREAM OF REPORTS. HE IS INTERESTED IN EXPERTS WHO WOULD MOVE INTO SPECIFIC POSITIONS WITHIN PORT OFFICES AND WHO WOULD REMAIN FOR A MINIMUM OF ONE YEAR. HE WANTS EXPERTS IN OPERATIONS, PLANNING AND CONSTRUCTION. IN OTHER WORKD, HE WANTS SOMEONE WHO WILL STAY HERE AND GET

SWEATY. HE WANTS A GROUP WHICH WILL ACCEPT RESPONSIBILITY FOR FOLLOWING UP ON SUGGESTIONS, FOR MODIFYING THOSE SUGGESTIONS AS SAUDI CUSTOMS MIGHT DICTATE AND WHICH WOULD PROVIDE OCCASIONAL ENCOURAGEMENT TO GET THE SAUDIS MOVING. NONE OF THE ABOVE SHOULD BE CONSTRUED TO IMPLY THAT MANSOURI DOES NOT BELIEVE THE ARMSTRONG REPORT WAS VALUABLE; HOWEVER, HE NOW WANTS ACTION, NOT WORDS.

- 4. THE EMBASSY IS IN COMPLETE AGREEMENT WITH MANSOURI, THE ARMSTRONG REPORT PROVIDES A GOOD WORKING OVERVIEW OF WHAT IS WRONG WITH THE SAUDI PORTS. AND SHOULD BE A SUFFICIENT BE-GINNING ON WHICH TO PLAN A TEAM OF EXPERTS. MOREOVER, THE SAUDIS SIMPLY DO NOT OFTEN ACT ON REPORTS OR SUGGESTIONS WHICH THEY MUST IMPLEMENT. WE SUGGESTED THAT MANSOURI PREPARE A LIST -- WITH POSITION DESCIRPTIONS -- OF POSITIONS FOR WHICH HE WOULD LIKE AMERICAN EXPERTS, AND ASKED THAT HE DESIGNATE AN ACTION OFFICER WHTIN THE PORT ADMINISTRATION. HE AGREED. EMB. OFFICERS ALSO SAID WE WOULD ASK WASHINGTON TO PREPARE A LIST OF POSSILBE ADVISORS WHO COULD BE SENT AND WHAT THEIR FUNCTIONS MIGHT BE. WE HOPE THAT MR. ARMSTRONG, WITH HIS EXPERIENCE IN SAUDI ARABIA AND HIS EXPERTISE, COULD BE ASSIGNED THIS TASK. AS SOON AS THE U.S. LIST IS COMPLETE -- EVEN IF THE SAUDIS HAVE NOT YET TAKEN ACTION -- WE WOULD PROPOSE A QUICK TRIP BY ONE OF TWO U.S. EXPERTS WHOSE SOLE PURPOSE WOULD BE TO REACH AGREEMENT ON THE PROJECT, NOT TO PREPARE A REPORT.
- 5. AS STATED ABOVE, WE ARE ATTEMPTING TO CONVINCE MANSOUR THAT WE OFFER OUR ASSISTANCE AS A SUPPLEMENT TO THE SUPERB JOB HE IS ALREADY DOING. THIS IS AN EFFORT TO EASE THE WAY TO A CONSTRUCTIVE RELATIONSHIP. WE ACTUALLY BELIEVE THE INADEQUACE OF PORT CAPACITY WILL BE THE SINGLE MOST CRUCIAL BOTTLENECK IN THE SAUDI ECONOMY OVER THE NEXT THREE YEARS. EVERY MONTH SAVED WILL MEAN LESS DELAY IN ACCOMPLISHING FUTURE DEVELOPMENT LIMITED OFFICIAL USE

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PAGE 04 JIDDA 04653 281429Z

PLANS. WE THEREFORE URGE ALL AGENCIES CONCERNED TO GIVE THIS PROJECT PRIORITY.

6. ACTION REQUESTED: PLEASE CONSIDER MANSOURI REQUEST FOR ACTION TEAM TO BE ASSIGNED TO SAUDI ARABIA FOR A PERIOD OF ONE YEAR OR MORE. REQUEST EMBASSY BE AUTHORIZED ASAP TO TELL MANSOURI THAT WASHINGTON AGENCIES ARE PROCEEDING TO PREPARE TEAM PROPOSAL. HORAN

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## Message Attributes

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